



Hon. Robert T. Matsui

Member of Congress

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Serving California's 5th District

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MATSUI COMMENTS ON CBO'S ANALYSIS OF THE PRESIDENT'S PLAN TO PRIVATIZE SOCIAL SECURITY

WASHINGTON, D.C. – Congressman Robert T. Matsui (D-Sacramento) issued the following statement on the new Congressional Budget Office (CBO) analysis, which shows that the Bush Social Security Commission's privatization plan would slash retiree benefits:

"This report highlights the deep benefit cuts that will result from the President's proposal to privatize Social Security. With this data, CBO underscores what Democrats have been saying for years: privatization erodes retirement security.

"CBO clearly demonstrates that workers of all income levels would face substantial benefit cuts. Even when these reduced Social Security benefits are combined with the income from individual accounts, today's younger workers would see their benefits cut by \$6,300. The situation worsens for workers born in this decade. Under this plan, these workers would see their benefits eroded by 45% -- a loss of more than \$11,800 per year.

"This report clearly demonstrates that investing Social Security in private accounts will not reap the profits that privatizers have promised. I call on President Bush to reject this risky scheme and look for real solutions to strengthen this system, which is so vital to seniors and disabled Americans."

The CBO report is entitled "Long Term Analysis of Plan 2 of the President's Commission to Strengthen Social Security."

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